

YOU SPOKE AND WE HEARD

BVP RETAIL SURVEY SUMMARY

PCEDC REAL ESTATE QUESTIONNAIRE

Increased interest in the health of the real estate industry in Pacific County prompted the PCEDC to develop a questionnaire with ten questions targeted to realtors in Pacific County.

1. Types of Real Estate Services provided: All realtors who responded stated that they sell residential and commercial real estate, and most sell land as well. One stated that they also sell a significant amount of timber land and one company also does rental property management.

2. Primary market: All but one company said the majority of their business was focused on residential sales. The one exception said they focus on both residential and land sales.

3. Where do you see people relocating from? The realtors in North County reported evenly split sales to locals and out of area cli-

ents. Realtors on the peninsula sell mostly to people from out of the area. The majority of people moving into the County are from nearby metropolitan areas: Seattle, Portland, and Vancouver, although some new residents are from other parts of the Pacific Northwest and other states as well.

4. & 5. What type are the majority of sales and where are they occurring? The majority of all sales are existing homes, evenly split between incorporated and unincorporated areas. Sales in Naselle are evenly split between existing homes and land.

6. Average age of buyer: Realtors report that the majority of all sales are for retirement or 2nd homes, with at least half sold to people age 56 or older.

7. Residential real estate: Realtors overwhelmingly stated that price had increased, with three

realtors citing a price increase of 22-30%. The number of listings has fluctuated during the same time frame. Most peninsula and Naselle realtors said that sales had decreased or remained stable the last two years, while two out of three North County realtors said sales had increased.

8. Commercial real estate: Pricing throughout the County has mainly stayed stable, while North County tended to see an increase in the number of commercial listings and a decrease in the number of commercial sales. Most peninsula and Naselle realtors saw little to no change in commercial listings and sales.

9. Comments and needs: Some realtors in both North and South County cited a problem with inflated prices on listings, while others throughout the County thought that prices may decrease and stabi-

lize within the next few years. One realtor stated, "Real estate demand and prices are driven by interest rates and the overall state of the economy." Several Realtors said they needed more listings for first time home buyers, and more rentals for those who can't buy. "Many lenders have more stringent qualifications now, resulting in people not being able to afford to buy who could have qualified just a few months ago." Two realtors were concerned with increasing permitting costs and restrictions making building more expensive.

10. Future of Real Estate: Realtors throughout the County were generally optimistic about the future of real estate in Pacific County. In Long Beach, one realtor is expecting the peninsula housing market to boom with continued influx of retirees, while another sees increased tourism bringing people who will decide to buy here.

QUESTIONS AND ANSWERS - THE MINIMUM WAGE

MINIMUM WAGE JOBS AS % OF ALL JOBS IN AREA - 2ND QUARTER 2007

Washington State: 2.8%
Pacific County: 4.6%
 Grays Harbor County: 4.2%
 Lewis County: 4.4%
 Mason County: 3.6%
 Wahkiakum County: 2.6%
Source: WA Labor Market Quarterly Review, April-June 2008

We Asked: How does the increase in minimum wage affect your business?
You Answered: "We try to give incentive raises, but then the minimum wage increases and we have to give employees *another* raise to keep them above the minimum and keep morale up. No one likes to think of themselves as "minimum wage" earners, especially once they have

more experience than new hires. The minimum wage makes it difficult to hire people with no work experience or who need a lot of training, like teens, because you have to pay them as much as you would pay someone with experience."

Research: Minimum wage jobs continue to be concentrated in a handful of industries statewide. Food services, agriculture, and retail trade account for about 2/3 of the total in every quarter going back to 1990. In the second quarter of 2007, when the minimum wage was \$7.93, accommodations and food services hosted 37% of the state's minimum wage jobs. Another 20% of these low-wage jobs were in agriculture, and 17% were in retail trade. *Source: WA Labor Market Quarterly Review*

In Pacific County in 2007, these three industries together had average employment of

1,973 out of 8,630 total employment, which means that ~23% of all employment in Pacific County is in accommodations and food services, agriculture, and retail trade. *Source: WA Employment Security Department*

There are many industries in which minimum wage jobs are relatively rare (1% or less of all jobs), including mining, utilities, construction, manufacturing, wholesale trade, transportation, information, finance and insurance, professional services, corporate offices, private educational services, state government, and local government.

In the second quarter of 2007, 2.8% of jobs in the state of Washington paid the minimum wage, if employment is calculated on a full-time equivalency (FTE) basis. This was the highest percentage since early 2000. During the 1990s, minimum wage jobs averaged

around 1% of total employment. In 1999, a yearly pattern emerged with the first three quarters roughly equal (in percentage of jobs paying the minimum) and a drop in the percentage in the fourth quarter. In other words, many seasonal jobs are minimum wage. *Source: WA Labor Market Quarterly Review, April-June 2008*

STATE MINIMUM WAGE COMPARAISONS

Federal: \$6.55
Washington State: \$8.07
(Highest of all 50 states)
 California: \$8.0257
 Idaho: \$6.55
 Nevada: \$6.85
 Oregon: \$7.95
Source: Wikipedia "List of U.S. Minimum Wages"